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British Virgin Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 23 December 2013. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor John S. Duncan (August 2014).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 50 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km^2.

Exclusive economic zone: 80,117 km^2.

Population: 28,200. (2010 census), of which 39 per cent are citizens, or "belongers". The great majority of "non-belongers" hail from countries in the region, North America and Europe.

Life expectancy at birth: 78.3 years (men: 77.0 years, women: 79.7 years (2014 estimate)).

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent: November 2011; next: due by December 2015.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $31,300 (2013 estimate).

Economy: Financial services and tourism.

Main trading partners: The United States of America, the United Kingdom and the States members of the Caribbean Community (CARICOM).

Unemployment rate: 2.8 per cent (2010 census).

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawaks and the Caribs, indigenous peoples of the region. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

I. Constitutional, political and legal issues

1. Under the Virgin Islands Constitution Order 2007, the British crown appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts. In the areas of internal security and external affairs, the Constitution provides for the territorial Government to have formal input. There is a reservation for the British crown to make laws for the peace, order and good government of the Virgin Islands. In terms of external relations, the British Virgin Islands is entrusted to negotiate treaties in specific areas such as certain offshore financial matters.

2. The 2007 Constitution led to the introduction of a cabinet-style Government. The Cabinet consists of the Premier, appointed by the Governor from among the elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member — the Attorney General. The Governor attends and presides over the Cabinet. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections must be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 7 November 2011, the National Democratic Party, at that time the opposition party, won a majority of seats — 9 out of 13. Its leader, Daniel Orlando Smith, became the new Premier. The Virgin Islands Party won the remaining four seats.

4. The law of the British Virgin Islands comprises the common law of England, locally enacted legislation and imperial legislation. Justice is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. According to the administering Power, there are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a magistrates court, which hears prescribed civil and criminal cases, as well as a juvenile court and a court of summary jurisdiction. The Privy Council of the United Kingdom of Great Britain and Northern Ireland is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. As previously reported, at the Pacific regional seminar held in Quito from 30 May to 1 June in 2012, the representative of the British Virgin Islands stated that the Territory's position was to maintain its current relationship with the administering Power, built on mutual respect and a mature partnership, as the Territory continued to grow. Furthermore, speaking at the Caribbean regional seminar held in Quito from 28 to 30 May 2013, the representative of the British Virgin Islands stated that, in his view, the Special Political and Decolonization Committee (Fourth Committee) should set specific achievable goals, taking into

account the particularities of each territory, in order to further advance the decolonization process in all the territories.

II. Budget

6. According to the Government of the British Virgin Islands, the estimated expenditures of the Territory for 2014 amounted to approximately $246.8 million, with estimated revenues of about $302.3 million.

7. The Territory collects stamp duties on certain transactions and property and payroll taxes; however, there are no value added or goods and services taxes and the income tax is 0 per cent. The December 2011 report by the Education International Research Institute on behalf of the Council of Global Unions, entitled "Global Corporate Taxation and Resources for Quality Public Services", indicated that the British Virgin Islands was one of the jurisdictions with very low taxation.

III. Economic conditions

A. General

8. According to information provided by the administering Power, the two main pillars of the Territory are tourism and offshore financial services, which combined, contribute over half of the gross domestic product (GDP). The GDP estimate for 2013 was $915.6 million, indicating nominal growth of 0.68 per cent over the 2012 figures of $909.4 million. According to the administering Power, GDP is expected to grow by 1.2 per cent in 2014 over the 2013 estimates, driven by growth in the tourism, construction, communication, real estate and rental and business sector services. Imports consist mostly of food, machinery and fuel.

B. Financial services

9. According to data released by the United Nations Conference on Trade and Development in 2014, the Territory's 2013 inflow of foreign direct investment had increased by 27.7 per cent compared with 2012, reaching a total of $92 billion.

10. According to Oxford Analytica, as at July 2012, the Territory had a 45 per cent share of the international business company market. Government sources indicate that in 2013, 459,882 international companies were active. International company registration fees are a major source of income for the territorial Government.

11. On 30 June 2014, the territorial Government signed an agreement with the United States of America to hand over ownership information to the latter regarding financial account holders in the Territory, which is expected to facilitate compliance, for the companies registered in the Territory, with the United States Foreign Accounts Tax Compliance Act.

12. To date, the Territory has signed 27 tax information exchange agreements, including with the United Kingdom.

C. Tourism

13. According to the administering Power, the tourism sector in the British Virgin Islands continued its efforts to appeal to the high-end traveller. According to data provided by the administering Power, in 2013, over 742,000 tourists visited the Territory, including some 367,000 cruise ship visitors, 366,000 overnight visitors and 8,000 other visitors. The Territory suffered a decline of 1.5 per cent in visitors over the 2012 numbers, mainly owing to the global economic downturn, but recorded a growth of 4.2 per cent in overnight visitors. According to the territorial Government, the contribution of tourism to GDP was estimated at $277.9 million in 2013, which accounted for 35 per cent of the overall estimated GDP for 2013. In addition, the tourism sector was the source of about 3,400 jobs, accounting for 18.6 per cent of total employment in 2012.

D. Agriculture and fisheries

14. Agriculture and fishing account for about 0.5 per cent of the Territory's GDP. Most food requirements are met through imports. Around 800 ha of land are cultivated, and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced both for local consumption and for export to the United States Virgin Islands.

15. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

16. The British Virgin Islands has more than 200 km of surfaced roads. The Government continues to upgrade road infrastructure and to expand the road network. As previously reported, the Infrastructure Rehabilitation Loan Project, the joint venture between the territorial Government and the Caribbean Development Bank, continued to support the implementation of road and bridge rehabilitation works to improve drainage in flood-prone areas.

17. There are three international airports, served by 15 airlines. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road Town. A regular ferry service links Tortola with some of the islands as well as with Saint Thomas in the United States Virgin Islands.

18. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority. According to the administering Power, the territorial Government is working on regulations that would replace the Land Development Control Guidelines, 1972 and address such areas as the procedures for environmental impact assessments, the regulation of the subdivision of land and the preservation of buildings and sites.

19. Tortola is reportedly the only island in the Territory with a public sewage system, although it does not cover the entire island. A number of islands also

reportedly suffer from a lack of potable water, despite the introduction of desalination in the 1980s. According to the administering Power, more than $8 million is expected to be spent in 2014-2015 to lay water and sewage pipes in order to improve the Territory's water and sewage system.

IV. Social conditions

A. Labour and immigration

20. Since 2009, the British Virgin Islands has experienced an average decline of 1.5 per cent in its employed population. In 2011, the employed population of the Territory was 18,198 persons, 27.6 per cent of whom were local workers and 66.9 per cent expatriate workers. The remaining 5.5 per cent were not specified.

21. The main employers are the territorial Government, financial services, wholesale and retail trade entities and the tourism and construction sectors. On average, an employed person in the Territory earned $25,296 in 2011. Based on the Government of the British Virgin Islands definition of a small business (seven or fewer employees), small businesses provided approximately 20 per cent of the jobs in the Territory.

22. The total recorded unemployment rate was 2.8 per cent in the 2010 census. The Government's Youth Employment Services initiative remains in operation and efforts to register unemployed youth and provide basic job training and preparation skills through this initiative continue. According to the administering Power, over 600 young people have been trained through the initiative, 200 of whom have been placed in jobs.

23. On 19 September 2014, the territorial Government announced the formation of a committee to consider the effects of raising the minimum wage, which has remained at $4 an hour since 1999.

24. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system (entrance at the primary level and completion at the secondary level), marriage to a belonger for a period of not less than three years or residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character. According to the administering Power, the number of exemptions granted is considered on an annual basis.

B. Education

25. The education system in the Territory is guided by the Education Act 2014 and its amendment. The regulations contained therein are expected to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act, and the conduct of school supervision, including complaint investigations requested by the public.

26. According to the administering Power, the Territory has 14 public primary schools and 4 public secondary schools, in addition to 1 public pre-primary school

and 1 public special education learning centre. There are also a number of private primary and secondary schools.

27. Primary and secondary education are free and compulsory for children ages 5 through 17. In 2014, the Virgin Islands School of Technical Studies was opened, with the mission to provide access to technical vocational education and training at the secondary level consistent with regional and international standards. The School offers such subject areas as construction, auto mechanics, hospitality, catering, cosmetology and home economics.

28. Tertiary education is offered for free to Virgin Islanders at the local community college (H.L. Stoutt Community College), which has campuses on Tortola and Virgin Gorda Islands. The Community College also collaborates with several universities outside the Virgin Islands that offer programmes at the Bachelor's degree level. Citizens from the British overseas territories benefit from the home student fee rate at British universities. In addition, the European Union provides for access to, among others, horizontal European Union funds, such as those for higher education and vocational education.

C. Public health

29. According to the information provided by the administering Power, infant mortality is low and life expectancy is high, at about 80 years. The Health Services Authority of the Territory, an autonomous corporate body, was established in 2005 to manage all public health-care delivery services for the Ministry of Health and Social Development.

30. According to the administering Power, the design of a national health insurance programme has been completed and is expected to come into effect in the second quarter of 2015, to be administered by a new division of the Social Security Board.

31. With the assistance of the Pan American Health Organization (PAHO), a review of the Territory's mental health system was conducted in the light of modern advances in the field of psychiatry and relevant international human rights commitments and obligations. As a result, a new mental health policy and the Mental Health Act were passed in 2014.

32. The Territory continues to identify and make use of all available sources of assistance, in particular from regional and global health organizations such as PAHO and United Nations agencies, to share best practices on health strategies and processes, with special emphasis on the prevention, treatment and care of non-communicable diseases.

D. Crime and public safety

33. According to the administering Power, the overall rate of reported crime in the past four years has decreased and almost one in four of all crimes reported were domestic incidents. In addition, improvements in the handling of forensic evidence continued to raise the detention rate, which was at 48 per cent of all reported crime. The Royal Virgin Police Force has continued to work towards greater community integration and involvement through neighbourhood policing and to explore ways of

improving public safety by, for example, enacting legislation for the introduction of a public safety camera scheme and the development of an electric tagging system for offenders. In addition, former police officers from the United Kingdom have been assisting their local counterparts to help to build capacity and enhance skills in crime scene, financial and homicide investigations, covert operations and force intelligence.

E. Human rights

34. Major international and European human rights conventions have been extended to the British Virgin Islands. Chapter 2 of the 2007 Constitution enshrines fundamental rights and freedoms of the individual and provides for the establishment by law of a human rights commission. According to the administering Power, in November 2014, a bill entitled "Human Rights Commission Act" was introduced to the House of Assembly. Some of the powers and duties of the human rights commission to be established include educating the public on the rights and freedoms in the 2007 Constitution and those relating to other international human rights instruments or activities. The judicial system continues to hear matters brought on the grounds of alleged infringements of human rights.

35. According to the information contained in *Human Rights and Democracy: the 2013 Foreign and Commonwealth Office Report*, the protection and promotion of human rights in each territory is primarily the responsibility of the territorial Government, while the Government of the United Kingdom is ultimately responsible for ensuring that the territories fulfil their obligations arising from international human rights treaties that have been extended to them.

36. The first National Policy for Gender Equity and Equality was developed in 2011 with the objective to, inter alia, educate and change public attitudes on gender roles and responsibilities and develop new strategies to eliminate domestic and other forms of gender-based violence and discrimination in the Territory.

V. Environment

37. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands.

38. In April 2014, the United Kingdom submitted its fifth national report to the Conference of the Parties to the Convention on Biological Diversity. The report contains information in respect of the overseas territories to which the Convention has been extended, namely, the British Virgin Islands, the Cayman Islands, Gibraltar and Saint Helena, Ascension and Tristan da Cunha.

39. In May 2014, the territorial Government passed legislation to establish a permanent shark sanctuary in its waters and prohibit commercial fishing of all shark and ray species throughout its exclusive economic zone. In addition, according to the administering Power, a public consultation took place in 2014 to dedicate five new protected coastal and marine zones.

40. The United Kingdom Overseas Territories Biodiversity Strategy has been devised as a key tool to enable the United Kingdom and overseas territorial Governments to meet the relevant international obligations for the conservation and sustainable use of biodiversity. In April 2014, a report was published about ongoing and planned activities that are supported by the Department for Environment, Food and Rural Affairs, the Foreign and Commonwealth Office and the Department for International Development of the Government of the United Kingdom, as well as its statutory adviser the Joint Nature Conservation Committee, in each of the areas under the Strategy. The report covered, inter alia, activities in Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, the Falklands Islands (Malvinas),[1] Gibraltar, Montserrat, Pitcairn, Saint Helena and the Turks and Caicos Islands.

41. Environment Ministers of the States members of the Organisation of Eastern Caribbean States (OECS) (of which the British Virgin Islands is an associate member) met in Road Town in September 2014, addressing such topics as ocean governance, energy and climate change, in addition to other relevant policy issues relating to natural disasters and small island developing States.

VI. Relations with international organizations and partners

42. The British Virgin Islands has associate membership in the Economic Commission for Latin America and the Caribbean, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

43. The Territory is an associate member of the Caribbean Community (CARICOM), the Caribbean Common Market and OECS and is a borrowing member of the Caribbean Development Bank.

44. In March 2014, the Territory hosted the sixth meeting of the Inter-Virgin Islands Council between the British Virgin Islands and the United States Virgin Islands with a view to addressing mutual interests and challenges and to fostering and promoting cooperation between the two Territories. Topics addressed in the meeting included law enforcement; pleasure boating and sport fishing; cooperation in tourism, energy and utilities; and cultures and education.

45. As a Non-Self-Governing Territory of the United Kingdom, the British Virgin Islands is associated with the European Union but is not a part of it. As at January 2014, the Territory was a partner under the 2013 decision of the European Union on the association of the overseas countries and territories with the European Union, which was approved, among other reasons, to move away from a classic development cooperation approach towards a reciprocal partnership that promotes sustainable development, as well as the values and standards of the European Union in the world. In 2014, the British Virgin Islands held the chairmanship of the Overseas Countries and Territories Association of the European Union.

[1] A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).

VII. Future status of the Territory

A. Position of the territorial Government

46. The position of the territorial Government regarding the future status of the British Virgin Islands is reflected under section I above.

B. Position of the administering Power

47. On 10 October 2014, at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-ninth session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was modern and based on partnership, shared values and the right of the people of each territory to determine whether to remain British. Should the people of a territory choose to remain British, the United Kingdom would maintain and deepen its special relationship with them.

48. He went on to say that, since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had been working closely with the territories to develop that partnership further. His Government had a fundamental responsibility to ensure the security and good governance of its overseas territories. The United Kingdom had strengthened the annual meeting with territory leaders into a Joint Ministerial Council and had given it a clear mandate to lead work to review and implement the strategy and the commitments set out in the white paper.

49. At the third meeting of the Overseas Territories Joint Ministerial Council, held in London on 2 and 3 December 2014, the United Kingdom and overseas territory leaders agreed upon a communiqué that included the following passage setting out the joint position of the United Kingdom and the overseas territories on self-determination:

> The peoples of all the Territories have the right of self-determination. For those Territories with permanent populations who wish it, the United Kingdom will continue to support requests for the removal of the Territory from the United Nations list of Non-Self-Governing Territories. Territory Governments are politically accountable to their legislatures for the exercise of devolved areas of policy. We will continue to work together to develop governmental and democratic institutions so that Territories have the greatest self-government possible, compatible with the United Kingdom's obligations in respect of its sovereign responsibilities.

VIII. Action taken by the General Assembly

50. On 5 December 2014, the General Assembly adopted resolutions 69/105 A and B without a vote, on the basis of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples for 2014 (A/69/23) and the

subsequent recommendation by the Fourth Committee. Section IV of resolution 69/105 B concerns the British Virgin Islands. In that section, the General Assembly:

(a) Recalled the 2007 Constitution of the British Virgin Islands, and stressed the importance of continued discussions on constitutional matters, to accord greater responsibility to the territorial Government for the effective implementation of the Constitution and increased levels of education relating to constitutional matters;

(b) Requested the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard called upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

(c) Welcomed the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

(d) Noted the holding, in March 2014, of the meeting of the Inter-Virgin Islands Council between the Territory and the United States Virgin Islands.